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MTF Summary of S.2499 *Version as reported from the Senate Committee on Ways & Means*

On November 9th, [Senate Bill 2499](#), *An Act relative to pharmaceutical access, costs, and transparency* was polled out of the Senate Committee on Ways and Means (SWM). Senators will have until 5pm on November 13th to file amendments to the bill, and it will be debated before the full Senate next week. The bill is a redraft of S.2492, which was reported out of the Joint Committee on Health Care Financing on October 30th. The SWM redraft includes many of the same provisions and themes as S.2492, but differs in a few notable ways. The SWM version:

- Removes a proposed tax related to pharmaceutical cost.
- Changes the Health Care Financing committee’s approach to oversight of PBMs. The SWM bill includes language similar to that adopted by the Senate in 2022.
- Retains a requirement that insurance carriers provide cost-capped coverage of medications related to diabetes, asthma, and heart conditions, but changes how drugs would be selected and how the program would be implemented.

MTF has prepared a comprehensive and accessible summary of S.2499, which includes the following materials:

- A high-level overview of the bill, including its recent legislative history and a breakdown of notable bill sections related to health equity and the expansion of subsidized health care in Massachusetts; and
- A detailed section-by-section excel summary of the legislation, which includes:
 - The statutory citation of each section
 - A summary of each section
 - Fields indicating whether or not MTF identifies the sections as related to goals of health equity or of having a fiscal impact to state
 - A field indicating whether or not the section is new, updated, or the same compared to the PACT Act as adopted by the Senate in 2022
 - Some sections with purely technical changes are listed as “Same” from the 2022 version

Legislative History

During the last two legislative sessions, versions of the PACT Act have passed the Senate by wide margins. The House has not acted on either bill.

- 2019 – 2020 Legislative Session: [S.2409](#), passed to be engrossed by the Senate 40-0.
- 2021 – 2022 Legislative Session: [S.2695](#), passed to be engrossed by the Senate 39-1.

This session, *An Act relative to pharmaceutical access, costs, and transparency* ([S.749](#)) was filed by Senator Cindy Friedman and reflected many of the provisions included in the PACT Act engrossed by the Senate last session, while also adding several new provisions including the creation of a Drug Cost Assistance Program and the imposition of penalties on drug manufacturers for excessive price increases. The bill received a legislative hearing from the Joint Committee on Health Care Financing on June 6, 2023.



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The Health Care Financing Committee redrafted S. 749 and gave a favorable report to that redraft (S. 2492) at the end of October. The redraft was identical to S. 749, except for the provisions related to Pharmacy Benefit Managers. The PBM sections in S. 2492 were taken from a bill filed by Representative John Lawn, House Chair of the Health Care Financing Committee.

The bill polled out of SWM yesterday is a combination of the SWM redraft from last session ([S.2561](#)) and S.2492. Notable differences from the PACT Act as reported from SWM last session include:

- The new version of the bill would require insurance carriers (including MassHealth) to limit patient costs for certain drugs (including insulin) related to three chronic conditions;
- The new version of the bill alters the language licensing specialty pharmacies and their relationship with insurance carriers.

Bill Summary

Major topics of the bill include:

- **Oversight** – The bill expands the role of the Health Policy Commission (HPC) and the Center for Health Information and Analysis in monitoring and collecting information related to pharmaceutical manufacturers, pharmacy benefit managers (PBMs), and drug prices. This expansion includes greater incorporation of pharmaceutical manufacturers and PBMs into the annual HPC Cost Trends hearing, and requires early notice of certain drugs entering the market.
- **Pharmacy Benefit Managers** – The bill requires all PBMs be licensed every three years, requires PBMs to submit a range of information to both CHIA and DOI, and gives DOI to promulgate regulations governing the licensure process.
- **Drug Pricing** – The bill creates a process by which the HPC can review the prices of eligible drugs and, in cases the HPC determines the price to be excessive, either require the manufacturer to submit a cost improvement plan, or publish and hold a hearing on the HPC’s proposed value of the drug.
- **Pharmaceutical and Treatment Access** – The bill includes several provisions intended to expand patient access to medication and treatment by requiring insurance providers, including MassHealth and Group Insurance Commission plans, to cover one name brand and one generic each for three chronic conditions (diabetes, asthma and heart conditions). Covered drugs would be subject to limits on patient costs.

The tables below highlight specific sections of the bill related to health equity and the expansion of subsidized health care coverage or benefits.

Health Equity

For the purpose of this table, a health equity-related section includes explicit language regarding improving drug access, has a focus on populations of color or historically marginalized communities, or includes similar language.



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Bill Section	Description	State Fiscal Impact?
21	Creates a new HPC process to review drug pricing with a stated goal of improving patient access. Also requires HPC to examine the efficacy of the chronic condition coverage and price cap program created in the bill.	Yes
42	Directs DPH to administer a Drug Cost Assistance Program to provide financial assistance for prescription drugs; including those used to treat chronic conditions that disproportionately impact communities of color.	Yes
41, 44, 45, 47, 48, 52	Requires insurers, including MassHealth and GIC plans, to cover and limit patient costs for one name brand and one generic medication for each of the following three conditions: diabetes, asthma, and heart conditions.	Yes

Expansion of Subsidized Health Care Coverage

For the purpose of this table, a section is included if it expands access to subsidized health care or reduces costs for eligible populations.

Bill Section	Description	State Fiscal Impact?
44	Requires MassHealth to cover, and limit patient costs, for one name brand and one generic medication for each of the following three conditions: diabetes, asthma, and heart conditions.	Yes